

SECRET

7 June 1961

MEMORANDUM FOR: Chief, SR

FROM: Chief, SR/3

SUBJECT: Budget for Project AEVINGIL for FY-1962

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE/METHOD/EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

1. The attached paper was prepared by the project case officer [ ] as a statement of what we have in the project and what it has accomplished. The field has been told in EGMW-10661 (a copy of which is also attached for your information) exactly what is expected in FY-1962, indeed, what must be done if the project is to continue.

2. It is our recommendation that the project be permitted to continue at the level proposed in the FY-1962 Operational Program. With the current and proposed cutback in the AEGIDION Project, it behooves us to make the most of the asset we possess in AEVINGIL 1. If it can become a viable asset under the present operational climate and provide a controlled operational cadre for use by SR case officers, it will be well worth the extra year we are giving the case officers in Munich to prove they can redirect the efforts of the organization.

3. If deemed necessary, however, a small budget cut might be absorbed without hampering Munich's operational plans at this crucial period in the project's life by terminating the entire Berlin activity of the project, thus effecting a savings of \$36,000. This activity has had political significance within Germany, although its essential function was to serve as a cover for the covert FI collection effort. The latter effort diminished in importance as the flow of East German visitors dwindled to a trickle with the cessation of ballooning. We no longer receive operational reports from Berlin, and this is taken as an indication that BOB does not consider that the operational activity warrants them.

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During the current fiscal year, only nine EGB reports have been received. Eight of these were disseminated. The termination of the Berlin office and all operational activity there would remove an irritant to the Soviets at a time when the political situation in Berlin is becoming more tense.

Chief, SR/3

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